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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
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EPSTEIN DRANGEL BAZERMAN & JAMES, LLP
60 EAST 42ND STREET
SUITE 820
NEW YORK, NY 10165

EXAMINER

MERCHANT, SHAHID R

ART UNIT	PAPER NUMBER
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3694

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PAPER

Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

Office Action Summary	Application No. 10/825,726	Applicant(s) HANSEN ET AL.	
	Examiner Shahid R. Merchant	Art Unit 3694	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 15 April 2004.
- 2a) ☐ This action is FINAL. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-17 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 1-17 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☒ The drawing(s) filed on 15 April 2004 is/are: a) ☐ accepted or b) ☒ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
2. ☐ Certified copies of the priority documents have been received in Application No. _____.
3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- | | |
|---|---|
| 1) <input checked="" type="checkbox"/> Notice of References Cited (PTO-892) | 4) <input type="checkbox"/> Interview Summary (PTO-413)
Paper No(s)/Mail Date. _____ |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948) | 5) <input type="checkbox"/> Notice of Informal Patent Application |
| 3) <input checked="" type="checkbox"/> Information Disclosure Statement(s) (PTO/SB/08)
Paper No(s)/Mail Date <u>11/20/2006</u> . | 6) <input type="checkbox"/> Other: _____ |

DETAILED ACTION

Drawings

1. New corrected drawing in compliance with 37 CFR 1.121(d) are required in this application. Figures 4-7 contain improper shading, which may affect clarity once reproduced. Applicant is advised to employ the services of a competent patent draftsman outside the Office, as the U.S. Patent and Trademark Office no longer prepares new drawings. The corrected drawings are required in reply to the Office action to avoid abandonment of the application. The requirement for corrected drawings will not be held in abeyance.

Claim Objections

2. Claim 2 objected to because of the following informalities: the claim should read The process of Claim 1... Appropriate correction is required.
3. Claims 5, 6 and 7 objected to because of the following informalities: the claims should read "The process of any one of Claims 1-4...". Appropriate correction is required.
4. Claims 12 and 16 objected to because of the following informalities: the claim reads "comprises...one or more of the following:..." however, there is only one choice that follows. Appropriate correction is required.

Claim Rejections - 35 USC § 112

5. The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

6. Claims 1, 3, 4 and 11 rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.

7. Regarding claim 1, the phrase "or almost real time" renders the claim indefinite because it is unclear whether the limitation(s) following the phrase are part of the claimed invention. See MPEP § 2173.05(d).

8. Claim 1 recites the limitation "the security transaction" in line 6. There is insufficient antecedent basis for this limitation in the claim.

9. Claim 1 recites the limitation "the result" in line 8. There is insufficient antecedent basis for this limitation in the claim.

10. Claim 1 rejected under 35 U.S.C. 112, second paragraph, as being incomplete for omitting essential steps, such omission amounting to a gap between the steps. See MPEP § 2172.01. The omitted steps are: applicant does not describe how one get derive a result by comparing data of (a) with data (b). For example, if one gets an

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execution date from (a) and VWAP from (b), how can one compare the two pieces of data and get a result.

11. Claim 3 recites the limitation "the volume weighted average price..." in lines 1-3. There is insufficient antecedent basis for this limitation in the claim.

12. Claim 4 recites the limitation "the volume weighted average price..." in lines 1-3. There is insufficient antecedent basis for this limitation in the claim.

13. Claim 11 recites the limitation "categories (1), (2) and (3)" in line 2. There is insufficient antecedent basis for this limitation in the claim. Claim 11 depends on claim 9, however claim 9 does not have any reference to categories (1), (2) and (3), so it is unclear what categories (1), (2) and (3) applicant is referring to.

Claim Rejections - 35 USC § 101

14. 35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

15. Claims 1-17 rejected under 35 U.S.C. 101 because the claimed invention lacks patentable utility. Applicant claims to intercept an executive communication, access market data, and compare the two pieces of data and reports the results. To overcome a 35 USC § 101 rejections, applicant must show that the invention has a useful, tangible and concrete result. Applicant has not proven the result as being useful. Comparing

two pieces of data and arriving at a result is not enough for satisfying usefulness. Also, applicant has not proven that the result will always be concrete and tangible. If the two pieces of data to be compared were an execution date and a VWAP for the day, the comparison would not amount to a real-world result.

Claim Rejections - 35 USC § 102

16. The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless –

(b) the invention was patented or described in a printed publication in this or a foreign country or in public use or on sale in this country, more than one year prior to the date of application for patent in the United States.

17. Claims 1, 2, 5-10, 12-17 rejected under 35 U.S.C. 102(b) as being anticipated by Rosen et al., U.S. Patent Application Publication 2003/0050879 (see attached PTO-892, Ref. A).

18. As per claim 1, Rosen teaches the real time, or almost real time, process of evaluating the quality of a securities broker's trading activity and informing an entity thereof which comprises, for a given transaction involving communication between a trader and a broker

(a) intercepting an execution communication from broker to trader and accessing execution data (see paragraphs 32, 57 and 61);

(b) accessing essentially contemporaneous market data for the security transaction in question (see paragraph 57); and

(c) comparing the data of (a) with the data of (b) and communicating the result of that comparison to said entity (see paragraphs 74, 75, 93, 140 and 141).

19. As per claim 2, Rosen teaches the method of claim 1 as described above. Rosen further teaches first intercepting an order communication from trader to broker, accessing order data therefrom and using that order data in step (a) (see paragraphs 140-141).

20. As per claim 5, Rosen teaches the one of the methods of claims 1-4. Rosen further teaches which is carried out for, and produces in step (c), comparison of a plurality of orders for one or more securities (see paragraphs 140-141).

21. As per claim 6, Rosen teaches the one of the methods of claims 1-4. Rosen further teaches which includes accessing and communicating to said entity the relative size of its execution or executions compared to the volume substantially traded contemporaneously in the security or securities involved by other market participants (see paragraphs 140-141).

22. As per claim 7, Rosen teaches the one of the methods of claims 1-4. Rosen further teaches in which step (c) involves intercepting a plurality of execution communications and forwarding said communications to the trader only after said

communications aggregate to a predetermined size of transaction (see paragraphs 140-141).

23. As per claim 8, Rosen teaches the method of claim 1 as described above. Rosen further teaches in which step (c) comprises the following: (5) displaying an indication of what proportion of a particular order of interest has been executed (see paragraph 143).

24. As per claim 9, Rosen teaches the method of claim 8 as described above. Rosen further teaches which additionally comprises displaying for a plurality of selected brokers over a predetermined period of time the following: (2) the proportion of that broker's trading volume compared with the total transaction volume for the security involved (see paragraphs 140-146).

25. As per claim 10, Rosen teaches the method of claim 9 as described above. Rosen further teaches in which the display is limited to the activities of the brokers in question with respect to a particular security (see paragraphs 140-146).

26. As per claim 12, Rosen teaches the method of claim 8 as described above. Rosen further teaches which additionally comprises displaying a visual identification for a particular broker over a predetermined period of time one or more of the following: (1) particular orders grouped by a selected one of symbol, date, or aggregation, and for

each such category displaying a graphical indication of a plurality of characteristics, including quality (see paragraphs 140-146 and Figures 6-7).

27. As per claim 13, Rosen teaches the method of claim 8 as described above. Rosen further teaches which additionally comprises displaying for a particular order the individual executions relating thereto (see paragraphs 140-146 and Figures 6-7).

28. As per claim 14, Rosen teaches the real time or almost real time process of evaluating the quality of a securities broker's trading activities and informing an entity thereof which comprises:

(1) intercepting order and execution communications between broker and trader, and evaluating the invention of the order or orders by comparing one or more particular transactions with essentially contemporaneous market data for the security transaction or transactions in question and communicating the results of that comparison to said entity, which process, after making such evaluation, comprises the following (see paragraphs 32, 57, 61, 74, 75, 93 and 140-141):

(6) displaying an indication of what proportion of a particular order of interest has been executed (see paragraph 143).

29. As per claim 15, Rosen teaches the method of claim 14 as described above. Rosen further teaches comprises displaying for a plurality of selected brokers over a predetermined period of time the following: (2) the proportion of that broker's trading

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volume compared with the total transaction volume for the security involved (see paragraph 140-146).

30. As per claim 16, Rosen teaches the method of claim 14 as described above. Rosen further teaches comprises displaying a visual identification for a particular broker over a predetermined period of time one or more of the following: (1) particular orders grouped by a selected one of symbol, date, or aggregation, and for each such category displaying a graphical indication of a plurality of characteristics, including quality (see paragraph 140-146 and Figures 6-7).

31. As per claim 17, Rosen teaches the method of claim 14 as described above. Rosen further teaches comprises displaying for a particular order the individual executions relating thereto (see paragraph 140-146 and Figures 6-7).

Claim Rejections - 35 USC § 103

32. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

33. Claims 3 and 4 rejected under 35 U.S.C. 103(a) as being unpatentable over Rosen et al., U.S. Patent Application Publication 2003/0050879 (see attached PTO-892, Ref. A) in view of Noser et al., U.S. Patent Application Publication 2003/0225660 (see attached PTO-892, Ref. B).

34. As per claim 3, Rosen teaches the method of claim 1 as described above. Rosen does not explicitly teach in which the execution data of (a) which is accessed is the volume weighted average price (hereinafter "VWAP") of one or more executions, and in which the data of (b) which is accessed is the VWAP of the market data for said security.

Noser teaches in which the execution data of (a) which is accessed is the volume weighted average price (hereinafter "VWAP") of one or more executions, and in which the data of (b) which is accessed is the VWAP of the market data for said security (see Figures 3 and 4 and paragraphs 77-84).

Therefore, it would be prima facie obvious to a person of ordinary skill in the art at the time of the invention to combine the teachings of Rosen and Noser to access VWAP data for one or more executions and the VWAP for the market data because it allows one to measure trading costs as taught by Noser (see abstract).

35. As per claim 4, Rosen teaches the method of claim 2 as described above. Rosen does not explicitly teach in which the execution data of (a) which is accessed is the volume weighted average price (hereinafter "VWAP") of one or more executions,

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and in which the data of (b) which is accessed is the VWAP of the market data for said security.

Noser teaches in which the execution data of (a) which is accessed is the volume weighted average price (hereinafter "VWAP") of one or more executions, and in which the data of (b) which is accessed is the VWAP of the market data for said security (see Figures 3 and 4 and paragraphs 77-84).

Therefore, it would be prima facie obvious to a person of ordinary skill in the art at the time of the invention to combine the teachings of Rosen and Noser to access VWAP data for one or more executions and the VWAP for the market data because it allows one to measure trading costs as taught by Noser (see abstract).

36. Claim 11 rejected under 35 U.S.C. 103(a) as being unpatentable over Rosen et al., U.S. Patent Application Publication 2003/0050879 (see attached PTO-892, Ref. A) in view of TradeWiser website (see attached PTO-892, Ref. U).

37. As per claim 11, Rosen teaches the method of claim 9 as described above. Rosen does not explicitly teach in which the plurality of selected brokers are listed in order of excellence.

TradeWiser teaches in which the plurality of selected brokers are listed in order of excellence (see attached PTO-892, Ref. U).

Therefore, it would be prima facie obvious to a person of ordinary skill in the art at the time of the invention to combine the teachings of Rosen and TradeWiser to list

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brokers in order of excellence because it allows one to carefully choose their broker based on factors like rates, hidden fees and check writing privileges as taught by TradeWiser.

Conclusion

The Examiner has cited particular columns and line numbers in the references as applied to the claims for the convenience of the applicant. Although the specified citations are representative of the teachings in the art and are applied to the specific limitations within the individual claim, other passages and figures may apply as well. It is respectfully requested from the applicant, in preparing the responses, to fully consider the references in entirety as potentially teaching all or part of the claimed invention, as well as the context of the passage as taught by the prior art or disclosed by the examiner.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Shahid R. Merchant whose telephone number is 571-270-1360. The examiner can normally be reached on First Friday Off.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, James P. Trammel can be reached on 571-272-6712. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for


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SRM


ELLA COLBERT
PRIMARY EXAMINER